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E.O. 12958: DECL: 07/06/2017 TAGS: <u>KSCA PARM PREL ETTC GM</u>

SUBJECT: (S) GERMANY RESPONDS TO USG NOTIFICATION OF PROCUREMENT ACTIVITIES BY THE SWEDISH FIRM MAHACO

Classified By: Global Affairs Counselor Donald R. Shemanski, for reason s 1.4 (b) and (d).

11. (S) German MFA Export Control Division Desk Officer Andreas Kauke passed the following German-language non-paper to Global Affairs officer June 19. The German non-paper responds to ref B demarche, which alerted the German Government to attempts by the Swedish firm Mahaco to procure German-produced pressure transmitters on behalf of Iran's Mizan Machine Manufacturing Group. Kauke said the German Federal Economic and Export Licensing Agency (BAFA) notified the German firm WIKA Alexander Wiegand GmbH & Co, KG, of the requirement to apply for an export license in this case. Ordinarily, a German firm would not need a license to export sensitive technology to an entity in another EU-member state, but, because the end user is located in Iran, BAFA required WIKA to apply for a license. WIKA submitted an export license application in March, according to Kauke, though BAFA has not yet made a final decision on the application. meantime, WIKA cannot export the pressure transmitters without a license, Kauke said. He added that the German Government will inform the USG of its decision.

12. (S) Begin unofficial embassy translation of German-language non-paper:

Regarding the non-paper from May 21, 2007, delivered to us May 23, 2007, concerning the Iranian attempt to procure German "pressure transmitters" from the firm WIKA Alexander Wiegand GmbH & Co. KG through the Swedish firm Mahaco for the Mizan Machine Manufacturing Group (3MG), allow us to the bring the following information to the attention of the U.S. authorities:

- -- We thank you for the information concerning the Iranian efforts to procure the pressure transmitters from the German firm WIKA Alexander Wiegand GmbH & Co. KG.
- -- The investigations into the case so far have revealed that the facts pertaining to the case have been known to the German export control authorities for some months. After BAFA, which authorizes export approval, contacted the firm, the firm submitted an export application (for export within Europe) on March 1, 2007. The items for export are 200 pressure transmitters of the type IS 20 F to the Iranian firm Mizan Machine Manufacturing Group (3MG). The Swedish firm AB Svenska Industri Instrument (SINI) in Goteborg is acting as the intermediate consignee. The client for SINI is MAHACO International AB, Stockholm, which was named in your non-paper. The application was accompanied by a declaration from the Swedish export control authorities stating that the

export does not require approval pursuant to Article 4 EG-VO 1334/2000.

- -- The application is still under consideration. As soon as the examination is closed and BAFA has issued a detailed report, we will inform the U.S. authorities accordingly.
- $\mbox{--}$ It is certain that at this time no unapproved export of this type can occur.

We look forward to the continuing outstanding cooperation in the area of export controls.

End text of translation of German-language non-paper.

 $\underline{\mbox{\tt 1}}{\mbox{\tt 3.}}$ (U) Post will report any additional German response septel. TIMKEN JR